

AMENDED IN ASSEMBLY APRIL 2, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1350**

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**Introduced by Assembly Member Blakeslee**

February 27, 2009

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~~An act to amend Section 44273 of the Health and Safety Code, and to add Chapter 7.10 (commencing with Section 25698) to Division 15~~  
*An act to add Chapter 6.7 (commencing with Section 25580) to Division 15 of the Public Resources Code, relating to energy.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1350, as amended, Blakeslee. Energy: ~~sustainable biofuel resource; voluntary certification;~~ *regional mitigation.*

*The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. Except as provided, CEQA requires the lead agency to mitigate or avoid the significant effects on the environment of a project it carries out or approves whenever feasible to do so. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.*

*The California Renewables Portfolio Standard Program requires a retail seller of electricity, including electrical corporations, community choice aggregators, and electric service providers, to purchase a*

*specified minimum percentage of electricity generated by eligible renewable energy resources, as defined, in any given year as a specified percentage of total kilowatthours sold to retail end-use customers each calendar year.*

*This bill would authorize the State Energy Resources Conservation and Development Commission to communicate, coordinate, and work with specified entities to consider and implement mitigation requirements on a regional basis for projects proposing to develop eligible renewable energy resources for the purposes of the California Renewables Portfolio Standard Program. The bill would authorize the commission to execute an agreement, memorandum of its understanding, or other similar instrument memorializing its understanding of any communication, coordination, or implementation activities with other state agencies for the purposes of meeting mitigation requirements on a regional basis.*

~~Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, which is administered by the Energy Commission, for the purposes of developing and deploying innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Fund and, upon appropriation, used for implementing the Alternative and Renewable Fuel and Vehicle Technology Program.~~

~~This bill would require the Energy Commission, in collaboration with specified entities, to establish a voluntary certification program to establish environmental performance standards for a biofuel qualifying as a California Sustainable Biofuel Resource. The Energy Commission would be required to consider certain factors in developing the performance standards. The bill would authorize moneys from the fund, upon appropriation, be used by the Energy Commission to implement the voluntary certification program. The bill would authorize the Energy Commission to charge an entity seeking to certify a biofuel under the program a fee to cover the Energy Commission's administrative costs. The bill would require collected fees to be deposited into the fund.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Chapter 6.7 (commencing with Section 25580)*  
2     *is added to Division 15 of the Public Resources Code, to read:*

3  
4         *CHAPTER 6.7. REGIONAL ENVIRONMENTAL MITIGATION*  
5

6     25580. (a) *The commission may communicate, coordinate,*  
7     *and work with the Natural Resources Agency, the Wildlife*  
8     *Conservation Board, the Department of Fish and Game, and other*  
9     *appropriate federal, state, or local governments, including*  
10    *interested stakeholders, to consider and implement mitigation*  
11    *requirements, including those required under the California*  
12    *Environmental Quality Act (Division 13 (commencing with Section*  
13    *21000)) on a regional basis for projects proposing to develop*  
14    *eligible renewable energy resources for the purposes of the*  
15    *California Renewables Portfolio Standard Program (Article 16*  
16    *(commencing with Section 399.11) of Chapter 2.3 of Part 1 of*  
17    *Division 1 of the Public Utilities Code) that may include both of*  
18    *the following:*

19     (1) *Identification of priority areas for mitigation, using*  
20     *information from the agencies and departments identified in this*  
21     *subdivision, as well as from other sources.*

22     (2) *Utilization of existing conservation programs of the agencies*  
23     *and departments identified in this subdivision.*

24     (b) *The commission may execute an agreement, a memorandum*  
25     *of understanding, or other similar instrument to memorialize its*  
26     *understanding of any communication, coordination, or*  
27     *implementation activities with other state agencies for the purposes*  
28     *of meeting mitigation requirements on a regional basis.*

29     (c) *This section does not interfere with, or prevent the existing*  
30     *authority of, an agency or department to carry out its programs,*  
31     *projects, or responsibilities to identify, review, approve, deny, or*  
32     *implement any mitigation requirements.*

33     ~~SECTION 1. The Legislature finds and declares all of the~~  
34     ~~following:~~

35     ~~(a) California's transportation sector is responsible for~~  
36     ~~approximately 40 percent of statewide greenhouse gas emissions~~  
37     ~~and over 50 percent of statewide criteria air pollution, resulting in~~

1 ~~a significant degradation of public health and environmental~~  
2 ~~quality.~~

3 ~~(b) California's transportation sector is more than 95 percent~~  
4 ~~dependent on a single fuel source, petroleum, even though the~~  
5 ~~United States maintains less than 2 percent of the world's~~  
6 ~~petroleum reserves, leaving the state heavily dependent on foreign~~  
7 ~~fossil fuel resources.~~

8 ~~(c) The development of biofuels can help mitigate climate~~  
9 ~~change, improve energy security, offset rising oil prices, and~~  
10 ~~stimulate rural economies.~~

11 ~~(d) The term "biofuels" encompasses an array of feedstocks and~~  
12 ~~production processes, therefore each product must be assessed on~~  
13 ~~its own merits.~~

14 ~~(e) While many biofuels can reduce greenhouse gas emissions~~  
15 ~~with de minimis negative impacts to the environment, and in some~~  
16 ~~cases to the increased health and productivity of the local~~  
17 ~~environment, the production of some biofuels can have detrimental~~  
18 ~~environmental consequences.~~

19 ~~(f) As a world leader in the development of clean and renewable~~  
20 ~~energy resources, it is the intent of the Legislature to encourage~~  
21 ~~the sustainable development and production of biofuels.~~

22 ~~SEC. 2. Section 44273 of the Health and Safety Code is~~  
23 ~~amended to read:~~

24 ~~44273. (a) The Alternative and Renewable Fuel and Vehicle~~  
25 ~~Technology Fund is hereby created in the State Treasury, to be~~  
26 ~~administered by the commission. The moneys in the fund, upon~~  
27 ~~appropriation by the Legislature, shall be expended by the~~  
28 ~~commission to implement the Alternative and Renewable Fuel and~~  
29 ~~Vehicle Technology Program in accordance with this chapter and~~  
30 ~~the California Sustainable Biofuels Program in accordance with~~  
31 ~~Chapter 7.10 (commencing with Section 25698) of Division 15 of~~  
32 ~~the Public Resources Code.~~

33 ~~(b) Notwithstanding any other provision of law, the sum of ten~~  
34 ~~million dollars (\$10,000,000) shall be transferred annually from~~  
35 ~~the Public Interest Research, Development, and Demonstration~~  
36 ~~Fund created by Section 384 of the Public Utilities Code to the~~  
37 ~~Alternative and Renewable Fuel and Vehicle Technology Fund.~~  
38 ~~Prior to the award of any funds from this source, the commission~~  
39 ~~shall make a determination that the proposed project will provide~~

benefits to electric or natural gas ratepayers based upon the commission's adopted criteria.

(e) Beginning with the integrated energy policy report adopted in 2011, and in the subsequent reports adopted thereafter, pursuant to Section 25302 of the Public Resources Code, the commission shall include an evaluation of research, development, and deployment efforts funded by this chapter. The evaluation shall include all of the following:

(1) A list of projects funded by the Alternative and Renewable Fuel and Vehicle Technology Fund.

(2) The expected benefits of the projects in terms of air quality, petroleum use reduction, greenhouse gas emissions reduction, technology advancement, and progress towards achieving these benefits.

(3) The overall contribution of the funded projects toward promoting a transition to a diverse portfolio of clean, alternative transportation fuels and reduced petroleum dependency in California.

(4) Key obstacles and challenges to meeting these goals identified through funded projects.

(5) Recommendations for future actions.

SEC. 3. Chapter 7.10 (commencing with Section 25698) is added to Division 15 of the Public Resources Code, to read:

CHAPTER 7.10. CALIFORNIA SUSTAINABLE BIOFUEL RESOURCE

25698. (a) The commission, in collaboration with the State Air Resources Board, the Energy Biosciences Institute, and the California Biomass Collaborative, shall establish a voluntary certification program to establish environmental performance standards for a biofuel qualifying as a California-sustainable biofuel resource.

(b) In developing the environmental performance standards of individual biofuel products, the commission shall establish quantifiable metrics that accomplish the following:

(1) Maintain or improve soil quality and productivity that includes encouraging cultivation on historically low biodiversity value marginal land or abandoned land.

1     ~~(2) Maintain or improve watershed that includes ensuring only~~  
2     ~~minimal increases in salinization and avoids depletion of water~~  
3     ~~resources.~~

4     ~~(3) Ensure a positive net energy balance where the amount of~~  
5     ~~biofuel energy produced is 50 percent higher than the amount of~~  
6     ~~energy used to produce the biofuel product, as determined by a~~  
7     ~~life-cycle analysis.~~

8     ~~25699. (a) The commission may charge an entity seeking to~~  
9     ~~certify a biofuel as a California sustainable biofuel resource a fee~~  
10    ~~to cover the commission's administrative cost of certifying the~~  
11    ~~biofuel.~~

12    ~~(b) Moneys collected pursuant to subdivision (a) shall be~~  
13    ~~deposited into the Alternative and Renewable Fuel and Vehicle~~  
14    ~~Technology Fund established pursuant to Section 44273 of the~~  
15    ~~Health and Safety Code.~~